



# Department of Justice

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## **JUSTICE DEPARTMENT REQUIRES SUIZA FOODS AND DEAN FOODS TO DIVEST 11 DAIRY PROCESSING PLANTS**

### **Divestitures in Alabama, Florida, Indiana, Kentucky, Ohio, South Carolina, Virginia, Utah Will Protect Competition for Milk Sold through Schools and Retail Outlets**

WASHINGTON, D.C. -- The Department of Justice today announced that Suiza Foods Corporation and Dean Foods Company have agreed to sell 11 dairy processing plants in Alabama, Florida, Indiana, Kentucky, Ohio, South Carolina, Virginia, and Utah to resolve antitrust concerns about the companies' pending merger. The Department said that without these divestitures, the merger would have reduced competition in markets for milk sold through schools and retail outlets in the areas around these plants.

Suiza and Dean compete in these areas to provide milk to grocery stores, convenience stores, and other stores that sell directly to consumers. In many school districts, Suiza and Dean are currently the only two--or two of just three--companies that bid to deliver milk to schools.

"These divestitures ensure that consumers of milk, an American staple, continue to get the benefits of competition--increased choices for consumers resulting in lower prices and better service," said Charles A. James, Assistant Attorney General of the Department's Antitrust Division. "Maintaining competition in the dairy industry is important for American consumers."

The Department is requiring the companies to divest seven Suiza and four Dean dairy processing plants. The Suiza dairies being divested are: Barber/Meadow Gold Dairies in Huntsville, AL; Velda Farms in Miami, FL; Velda Farms in Winter Haven, FL; Burger Dairy in

New Paris, IN; Flav-O-Rich in London, KY; Dairymen's in Cleveland, OH; and Flav-O-Rich in Bristol, VA. The Dean dairies being divested are: Goldenrod Dairy Foods/U.C. Milk Co. in Madisonville, KY; H. Meyer Dairy Co. in Cincinnati, OH; Coburg Dairy in North Charleston, SC; and Cream O' Weber Dairy in Salt Lake City, UT.

All 11 dairies will be divested to National Dairy Holdings, L.P. (NDH), a newly formed partnership which will be 50 percent owned by Dairy Farmers of America Inc. (DFA), a dairy farmer cooperative. The parties also agreed to modify Suiza's supply contract with DFA to ensure that dairies owned by the merged firm in the areas affected by the divestitures will be free to buy their milk from sources other than DFA.

Suiza, a Delaware corporation based in Dallas, owns and operates 67 dairy processing plants in 29 states. Suiza is the largest fluid milk processor in the United States. In 2000, Suiza had net sales of approximately \$5.76 billion.

Dean, a Delaware corporation based in Franklin Park, Illinois, owns and operates 43 dairy processing plants in 19 states. Dean is the second largest fluid milk processor in the United States. In 2000, Dean had net sales of approximately \$4.4 billion.

DFA, based in Kansas City, Missouri, is the largest dairy farmer cooperative in the United States. DFA owns and operates dairy processing plants throughout the United States. In 2000, DFA had net sales of approximately \$6.76 billion.

NDH, a Delaware corporation, is a newly formed limited partnership owned 50 percent by DFA, and 50 percent by three individuals.

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